

March 10, 2009  
Seikagaku Corporation  
(Securities code: 4548)

## **Announcement of the Mid-term Management Plan**

At a meeting of the Board of Directors held today, Seikagaku Corporation decided a Mid-term Plan for the three-year period from FY2009 (ending March 2010) to FY2011.

### **1. Background and Purpose**

Global economic turmoil that originated in the financial uncertainty in the U.S. is a cause for concern even to pharmaceutical companies, which are said to be relatively unaffected by business cycles. In addition to this adverse economic environment, there is no sign of abatement in the realignment among pharmaceutical companies in Japan and abroad, and it will be difficult for companies that lack clear strategies for the future to survive. In view of this situation, Seikagaku decided “the Seikagaku Corporation Ten-Year Vision”, a corporate vision that positions Seikagaku as “A company that maintains long-term competitive strength and is needed by its stakeholders.” The Mid-term Plan, which covers the coming three-year period, is the first step toward the goal of fostering the basic corporate strength and developing the core systems necessary to realize the corporate vision.

### **2. The Seikagaku Corporation Ten-Year Vision**

- Launch new drugs (including medical devices) on a consistent basis and cultivate the capability to open up a new market every three years that has the potential to become a mainstay business.
- Focus research and development on glycoscience and sustain steady growth as a “Global Category Pharma” that establishes global competitiveness.

#### **<Basic Concept of the Ten-Year Vision>**

- 1) Develop new drugs (including medical devices) through research activities that lead the way in the field of glycoscience.
- 2) Make technical development capabilities a source of competitive advantage, by making it possible to always surpass competitors.
- 3) Aim to obtain top market share in all markets we enter.

### **3. Mid-term Plan (FY2009 to FY2011)**

- Foster the basic corporate strength and develop the core systems essential to realization of the Ten-Year Vision.
- Slogan: GPS (Global, Powerful, Sustainable)

“Accurately ascertain our position and identify the proper course of action toward the future.”

(1) **Global: Expand business opportunities by means of cross-border information gathering, collaboration and marketing activities.**

- 1) Reinforce the corporate foundation by expanding existing product domains and maximizing revenue and earnings.
- 2) Reinforce networks in Japan and abroad and consistently maintain world-class R&D and technical capabilities.

(2) **Powerful: Reinforce organizational strength to realize our corporate vision.**

- 1) Construct a system that enables integrated management of R&D, manufacturing and marketing for each product.
- 2) Rigorously implement revenue and earnings management for each business sector and increase profitability.

(3) **Sustainable: Place importance on compliance with social rules and be continuously trusted.**

- 1) Put in place resources to enable us to constantly stay abreast of changing regulations and appropriately respond.
- 2) Act with a high level of ethics and a strong sense of responsibility and a strong sense of responsibility and maintain relative transparency in company actions.

#### **4. Financial Targets in the Mid-term Plan**

(1) Numerical targets for FY2011

	Numerical targets for FY2011	Reference: Forecast for FY2008
Net sales	¥30.5 billion	¥27.7 billion
Operating income	¥6.0 billion	¥5.0 billion

(2) Important factors for achievement of the targets

- 1) Market expansion and further growth for hyaluronic acid formulations
- 2) Reinforcement of product line and implementation of appropriate policies and measures
- 3) Enhancement of production control systems and cost reductions

※The above target and forecast are based on information currently available and certain assumptions that the company regards as reasonable. Actual performance and other results may differ materially from these forecasted figures due to various factors.